FGCU Faculty Review of the Approved Board of Governors’ Performance Funding Model

The faculty of Florida Gulf Coast University (FGCU) strongly supports accountability in higher education. Well-designed accountability processes provide direction and help institutions allocate scarce resources to best meet educational and societal goals, including the goals of promoting economic development, job creation and student career success. A process that rewards both excellence and improvement within Florida’s lauded State University System (SUS) will undoubtedly focus national attention on improving accountability in higher education. After a careful examination of the current Performance Funding Model proposal we offer the following insights to refine and strengthen the process of enhancing accountability:

**Analysis:** The Board of Governors’ (BOG) proposed performance funding model requires further review by those charged with its implementation to ensure that the metrics produce the desired outcome of enhancing student success in the SUS.

- **The System-Wide Performance Metrics Do Not Fully Address:**
  - Individual institutions’ performance plans, goals and accreditation requirements.
  - The need to create incentives for institutions to focus on long-term strategic decision-making rather than incentives to “chase” short-term metric targets.
  - The importance of fostering diversity among SUS schools, which makes the system stronger and more resilient in the face of change. Institutions need to be able to empower all of Florida’s population through broad access and policies that acknowledge the range of student needs.
  - The risk of penalizing institutions which educate students for lower-paid but economically essential careers (such as teaching and law enforcement).
  - Regional differences in economic prospects, industries and demographics that lie beyond institutional control.
  - The fact that career success in most fields cannot be measured over the short-term.
  - Students’ individual economic, health and family-based circumstances and motivations.

**Suggestions for Improvement:** Below are some possible improvements, addressing both base funding concerns and selected performance metrics, which would enhance the effectiveness of the proposed accountability standards.

- **SUS Institutions’ Base Funding Concerns:**
  
  *We agree that institutions need to have a vested interest in the model; however, significant variation exists in base funding per full-time equivalent (FTE) among the SUS institutions. Thus, the proposed model would place unequal burdens on SUS schools, especially those with lower base FTE allocations.*

- **Proposed Solutions:**
  - Ensure base funding per FTE is equitable for all SUS institutions prior to implementation of the Performance Funding Model.
  - Develop metrics based upon individual student degree progress.
  - Award performance funding allocations on number of points received, similar to the 2013-2014 Model.
- Implement year-to-year-base funding reductions only after three years of sample data and projected cuts are modeled.

- **Median Average Full-Time Wages of Undergraduates Employed in Florida 1 Year after Graduation**
  
  *This metric ensures student’s gaining a quality life while also contributing back to Florida; however, it does not account for*
  
  - regional or vocational differences.
  - out-of-state employment that may benefit Florida enterprises.
  - improved employment beyond the first year.

- **Proposed Solutions:**
  - Apply a regional modifier for salaries prior to computing average wages.
  - Utilize a modifier for critical workforce needs that have lower salaries but are necessary for Florida’s development, such as military and public service positions.
  - Count out-of-state employed graduates in the model.
  - Develop a metric that averages the first three and five years of post-graduation employment.

- **Six Year Graduation Rate Full-Time and Part-Time FTIC**
  
  *This metric helps to ensure students’ timely completion of their educations and entrance into post-graduation employment; however,*
  
  - Transfer students are lost to all analyses.
  - Institutions are disincentivized from taking risks on non-traditional students or students who may have significant potential for graduation beyond a six year limit (e.g., veterans, single/working parents, students with disabilities, ESL students, or students who need initial remedial support).

- **Proposed Solutions:**
  - Develop a measure of adequate progress towards a degree for each student which is rewarded under performance based funding.
  - Use a rolling 3-year average graduation rate to better capture institutional effectiveness and progress.
  - Track transfer students so that institutions receive credit for their contribution to the student’s ultimate success.
  - Reward institutions for supporting non-traditional students who are often employed while pursuing their degrees.
  - Use national peer institution comparison data in measuring effectiveness.

**Conclusion:** The FGCU faculty looks forward to working with the Executive and Legislative branches, the BOG and university presidents in developing a performance funding model which considers the complex needs of all qualifying students and produces a productive workforce and engaged citizenry.